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September 26, 1995

Office of the Secretary
Federal Communications Commission
Washington, D.C. 20554

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RE: CC Docket No. 95-115

Dear Sir:

Enclosed are an original and nine copies of **COMMENTS OF MISSOURI PUBLIC SERVICE COMMISSION** for filing in the above-referenced matter.

Please return the extra file stamped copy in the enclosed self-addressed, self-stamped envelope. Thank you for your attention to this matter.

Sincerely,

Roger W. Steiner
Roger W. Steiner
Assistant General Counsel
314-751-7434

RWS/bsl
Enclosures
cc: Ernestine Creech
International Transcription Services, Inc.

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BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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In the Matter of Amendment of the Commission's Rules and Policies to Increase Subscribership and Usage of the Public Switched Network	))))	CC Docket No. 95-115

COMMENTS OF THE
MISSOURI PUBLIC SERVICE COMMISSION

In its Notice of Proposed Rulemaking (NPRM), released on July 20, 1995, the Federal Communications Commission (FCC) requested comments on a number of issues concerning subscribership and usage of the public switched network. The Missouri Public Service Commission (MoPSC) commends the FCC for addressing the issues of subscribership and usage of the public switched network. The FCC recognizes the concerns of state regulators and the industry in its NPRM. The NPRM proposes several concepts to increase telephone penetration rates.[1] Most of these concepts do not rise to the level of a specific proposal. FCC restriction

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[1] a. Voluntary Long Distance Blocking Services for Interstate Calls (Para. 17)
b. MOU or Dollar Amount or other types of long distance usage restrictions (Para. 20)
c. Adjustment of deposit requirements for low income subscribers that agree to accept voluntary toll restriction service (Para. 26)
d. Disconnection Restrictions: No disconnection of basic service for failure to pay interstate long distance calls (Para. 30)
e. Lifeline Plan modifications (Para. 36, 52)
f. Services targeted to low income, highly mobile population (Para. 38-39)
g. Use of wireless technology for unserved areas (Para. 41)
h. Other barriers to penetration (Para. 44)
i. Improved measurement of telephone penetration (Para. 45)
j. Consumer education proposals (Para. 47, 51)

of disconnection for non-payment of toll charges is a specific proposal found in the NPRM. The FCC does not have the authority to impose disconnection restrictions.[2]

Furthermore, from a practical standpoint the varied levels of subscribership from state to state illustrate that a broad, "one size fits all" solution is not appropriate. The FCC has correctly exercised its authority in the area of subscribership by setting broad policy principles in Lifeline and Link Up and allowing the states to tailor the program to its individual needs.

I The definition of subscribership may differ among jurisdictions.

Missouri statutes define basic local telecommunications service as two-way switched voice service within a local calling scope as determined by the MoPSC. §386.020.(3) RSMo. 1994. The MoPSC defines local exchange service as:

> Telecommunications service provided within a local exchange service area in accordance with the tariffs. It includes the use of exchange facilities required to establish connections between stations within the exchange and between stations and toll facilities serving the exchange. 4 CSR 240-32.020(26).

It is understood that if a customer has local exchange service, as defined by MoPSC, the customer is identified as a subscriber. Subscribership should be measured in this fashion and not broadened to include other services like cellular and paging.

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[2] The FCC cites Public Service Commission of Maryland, Memorandum Opinion and Order, 4 FCC Rcd 4000 (1989) as its authority to prohibit local exchange companies (LECs) from interrupting or disconnecting a telephone subscriber's primary local exchange service for failure to pay interstate long-distance charges. It is the MoPSC's view that in that case, the FCC preempted state authority to regulate the rates the LECs may charge for disconnection for non-payment service (DNP). The FCC deferred to the states the decision of whether and under what circumstances LECs will be allowed to offer DNP service to interstate carriers. Id. at 4006. See Public Service Comm'n of Maryland v. F.C.C., 909 F.2d 1510 (D.C. Cir. 1990).

II The Internet will not increase subscribership.

Connection to the Internet requires a computer system, a computer modem, a telephone line for the modem, and a subscription to an Internet service provider. If an individual has these components, that individual is a subscriber of at least local telephone service.

Although in the early stages of development and usage, the Internet is being used to carry two way voice conversations. These conversations can be local, intrastate, interstate or international in nature. Internet users believe the Internet could become a replacement for toll service, and hence the likelihood of disconnections because of toll service non-payment would be significantly curtailed.

The MoPSC does not view the Internet as a viable replacement for toll services, especially as services received from an Internet service provider are to some extent usage sensitive. The cost of the required computer equipment and subscription to an Internet service provider would far exceed the cost of local service.

III Toll limitations are available in Missouri.

All customers in Missouri have toll limitation available to them from their local exchange provider. Under MoPSC regulations, failure to pay charges not subject to MoPSC jurisdiction, such as interstate toll charges, shall not constitute cause for discontinuance of service unless specifically authorized in telephone utility intrastate tariffs. 4 CSR 240-33.070(2). Missouri companies have language in their intrastate tariffs allowing disconnection for failure to pay toll charges.

The MoPSC staff facilitates agreements which allow a customer to keep basic local service while paying off past due toll charges. For instance, when a customer identifies a medical need for keeping service intact, billing arrangements are negotiated with the local exchange company (LEC) and customer by the MoPSC. Typically, the customer must agree to block all 1+ dialing during the re-payment period.

If a state places toll restrictions on a customer, the need for a large deposit is unnecessary, and more customers could afford to reestablish service. When a customer who has been disconnected for non-payment of toll requests reestablishment of local exchange service toll usage should be limited. The toll usage could be restricted to an amount the customer pays in advance with the basic service charge. If the customer does not pay his bill, then the toll restriction goes into place. This could work much the same as a debit card. The customers currently disconnected because of non-payment of toll bills should be reconnected and toll restrictions placed on the line until the past due bills are paid off. This should be an act of the state regulators rather than an act of the federal regulators.

IV The eligibility requirements for Lifeline and Link Up could be changed to allow a greater number of people to be eligible for the programs.

Regarding Lifeline and Link Up, only generic and broad eligibility guidelines are necessary from the FCC as most states have a far greater understanding of the level of utility assistance required by their citizens. Changing the eligibility requirements for Lifeline and Link Up would help increase subscribership among under-served areas or population segments. Missouri has 1,633 Link Up Customers collecting a total of $23,951, for an average of $14.67 each and 15,807 Lifeline Customers collecting a total of $653,539, for an average of $41.34 each. If eligibility is changed these numbers could be significantly increased.

The percent of households with a telephone increases with the age of the head of the household. The younger heads of household are the ones with lower subscribership. The very young (aged 15-24) have significantly lower subscribership levels. The MoPSC's Link Up program is aimed specifically at elderly and/or disabled customers. The following requirements are used in Missouri to determine the eligibility of a subscriber for Link-Up Missouri assistance:

a. Subscriber must not be a dependent for federal income tax purposes, unless the subscriber is more than 60 years of age.

b. Subscriber is currently receiving Medicaid/medical assistance payments from the state of Missouri, and has provided their Department of Social Services client number to the company.

Of the eligibility requirements listed above, item a is certified by the subscriber, item b is certified by the Department of Social Services.

Since, in Missouri, Lifeline is tied to Utilicare[3] guidelines, these guidelines could be revised to include more than just the elderly and the disabled. Utilicare assistance is available for customers who are elderly (sixty-five or older) or disabled (totally and permanently disabled or blind and receiving federal social security income benefits, veterans administration benefits, state blind pension, state aid to blind persons, or state supplemental payments) and whose income for the prior calendar year does not exceed $7,500. § 660.100.2 RSMo 1994.

The Lifeline program should not be extended to multi-line entities such as schools and libraries. The program should target individuals needing access to the public switched network.

In a Rutgers University study released in February 1995, it was determined that minority, low-income urban areas consumed a disproportionately high amount of advanced

[3]A plan established by the Missouri Department of Social Services for providing financial assistance to elderly households and disabled households for the payment of heating bills.

telecommunication and premium cable TV services.[4] The customers who receive Lifeline assistance could be restricted from ordering other calling features such as call waiting, three way calling and caller ID. In this way, the risk of disconnection would be minimized. The individual states are very aware of the needs of the citizens and are able to plan for those needs more effectively than the federal government.

V Voice mailboxes provide customers access to the telecommunications network.

Voice mailboxes provide a reasonable alternative for customers without telephone service to have access to the telephone system. The MoPSC would support making voice mailboxes accessible from an "800" number so the subscriber would not have to place money into a payphone. Since voice mailboxes do not allow the customer to place calls to other customers on the network, this service would not be defined as basic service in Missouri, and thus, not counted when determining subscribership.

As with basic service, voice mailboxes should be prepaid because of the highly mobile clientele and the potential problem of sending bills to these customers. Voice mailboxes would help not only the homeless, but also those customers who cannot afford the service connection charge and do not qualify for the Link Up program. The Rutgers study indicates that one of the major factors affecting the employment of young Hispanics and African-Americans is the low level of telephones in their households.

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[4] Mueller & Schement, Universal Service From the Bottom Up: A Profile of Telecommunications Access in Camden, New Jersey, Rutgers University Project on Information Policy (1995).

VI The way subscribership is measured should be maintained.

Even though the procedure for measuring subscribership, as is done for the Monitoring Reports prepared in C.C. Docket 87-339, is not perfect, it is adequate for determining trends in subscribership. It is important to have one standard which ensures that all state information will be consistent. This procedure of measuring may understate the actual number of people in Missouri with service, since Missouri has a large number of vacation homes where customers discontinue local service and substitute with cellular service purchased from the area of their primary residence.

Wireless paging services are not counted in the subscribership levels since they are only one-way incoming services. The MoPSC defines basic service as "...two-way switched voice..." and thus paging services do not count as basic telephone service. It is important that the customer have the ability to reach an emergency number if necessary and this ability is not possible with paging.

VII Enhancing customer awareness is important.

Public service announcements on radio and television will help increase customer awareness of the options available to them. Both the LEC and state government should be responsible for educating the public as to their telecommunications options. This educational responsibility may also be met by mail inserts and brochures.

VIII Prepaid long distance cards are not an avenue to increase subscribership.

The MoPSC does not include prepaid long distance cards when determining subscribership. As with voice mailboxes, calling cards are only good for one-way (outgoing) communications. A customer must still use a phone in order to take advantage of the card.

Prepaid calling cards do not increase the number of homes served. Prepaid cards, however, could prevent usage of excessive amounts of toll service and could reduce subsequent disconnections because of the non-payment of toll charges.

IX Conclusion.

The MoPSC commends the FCC for undertaking the issues of subscribership and usage of the public switched network. However, the FCC does not have the authority to impose disconnection restrictions. From a practical standpoint, the variance of subscribership levels in the states does not lend itself to a national solution. The FCC has correctly exercised its authority in the area of subscribership by setting broad policy principles in Lifeline and Link Up and allowing each state to tailor programs to its needs.

Respectfully submitted,

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September 26, 1995